Statement to the Senate Committee on the subject of Bill C-22 "an Act to Amend the Patent Act"



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National Farmers Union

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to the

Senate Committee

on the subject of Bill C-22 "An Act to Amend the Patent Act"

presented

at

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The National Farmers Union is a voluntary membership organization of farm families engaged in policy development on economic and social issues affecting the industry of agriculture and its primary producers.

Delegates attending the recent 17th Annual Convention of our organization in Winnipeg, December 1-5, 1986, expressed strong concern over the implications for the cost of prescription drugs as represented by Bill C-22.

The general perception was and remains that the extended period for patent protection will contribute toward higher prescription drug costs in future years and curtail the growth of the generic drug industry in this country.

While it has been stated that those in society most dependent upon prescription drug use, including the chronically ill and senior citizens, are largely protected by drug plans, it is strongly believed that the public costs of these plans will rise and more of their cost burden may fall upon users, since patent protection for new prescription drugs will be extended to ten years, making it longer before generic counterparts can be produced.

There also exists a strong belief that the government is taking this action in response to pressure from the U.S. government and the U.S. Pharmaceutical Manufacturers' Association which stands to gain the most from this Bill. It is generally known that the availability of generic drugs has saved Canadian consumers approximately \$200 million annually over the equivalent cost of patented products. We support the maintenance and growth of the generic drug industry.

We are skeptical that foreign drug manufacturers will reward

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Canada with large investments for the research and manufacture of drugs within Canada as a consequence of this legislation. No guarantees are set out in Bill C-22. Considering that Canada is a relatively small market in the global context, it is likely that the multinationals of the drug industry might prefer to serve this market from elsewhere or by whatever means will maximize their returns.

The members of our organization strongly support the efforts of public research institutions and believe that it is important for government to expand support for research into many of the current ailments affecting our citizens such as Alzheimer's, cystic fibrosis, muscular dystrophy, multiple sclerosis, cancer, AIDS and heart disease.

We would be very much concerned if the treatment of illness should increasingly become the preserve of those who exploit illness for private profit in which respect the health care system of the United States serves as an outstanding example.

In addition to its impact to human drugs, we believe Bill C-22 has implications for increased costs to farmers who are users of various forms of veterinary medicines for farm animals. It will increase their production costs.

We submit there is no concrete evidence to suggest that the major players in the international drug market who will gain the added patent protection of their "intellectual property" under Bill C-22 are in fact suffering from a shortage of funds to conduct research and development of new drug varieties. The added protection provided by Bill C-22 essentially represents a license to further tax the future users of their products in this country.

As a farm organization, we are very much aware that the interests of the major drug companies are not restricted to extending patents on human and/or animal drugs. We are dealing with large multinational corporations whose economic tentacles extend into several other areas of endeavour. A number are engaged in the manufacture of farm chemicals and the development of new seed varieties over which they are now also seeking patent protection in this country. As the next round of pressure continues on government to permit the patenting of intellectual property in the areas of plant breeding and biotech-

nology, which may include new life forms, two distinct results will follow:

- 1. The private sector will increasingly gain control over directing our everyday lives and destinies as farmers;
- 2. Publicly-funded plant research programmes, which have been the mainstay of the farming industry in this country, will degenerate.

We look upon Bill C-22 as only the beginning of the drive by the major drug companies to seek increasingly greater protection and taxing privileges from government. It appears that a major contradiction exists in the extension of monopoly power and privilege to large foreign-owned corporations by a government which professes allegiance to a free market economy and competitive enterprise as representing the best economic interests of its citizens. This kind of action, however, is in harmony with a policy thrust which seeks to bind us ever closer to economic integration with the United States, as represented by current free trade discussions.

This Committee has invited groups and individuals who were denied the opportunity of presentation to the House of Commons Committee on Bill C-22 during its study stage to now indicate how we may feel about it. This we have done in only very general terms since we are now faced by an accomplished fact.

We believe the date of Bill C-22's passage, May 6, 1987, represents a sad day for this country and its farmers but only the beginning in the forfeiting of our long-term economic and political interests.





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